



# **Social Security and the Informal Economy in the Eastern Caribbean Currency Union**

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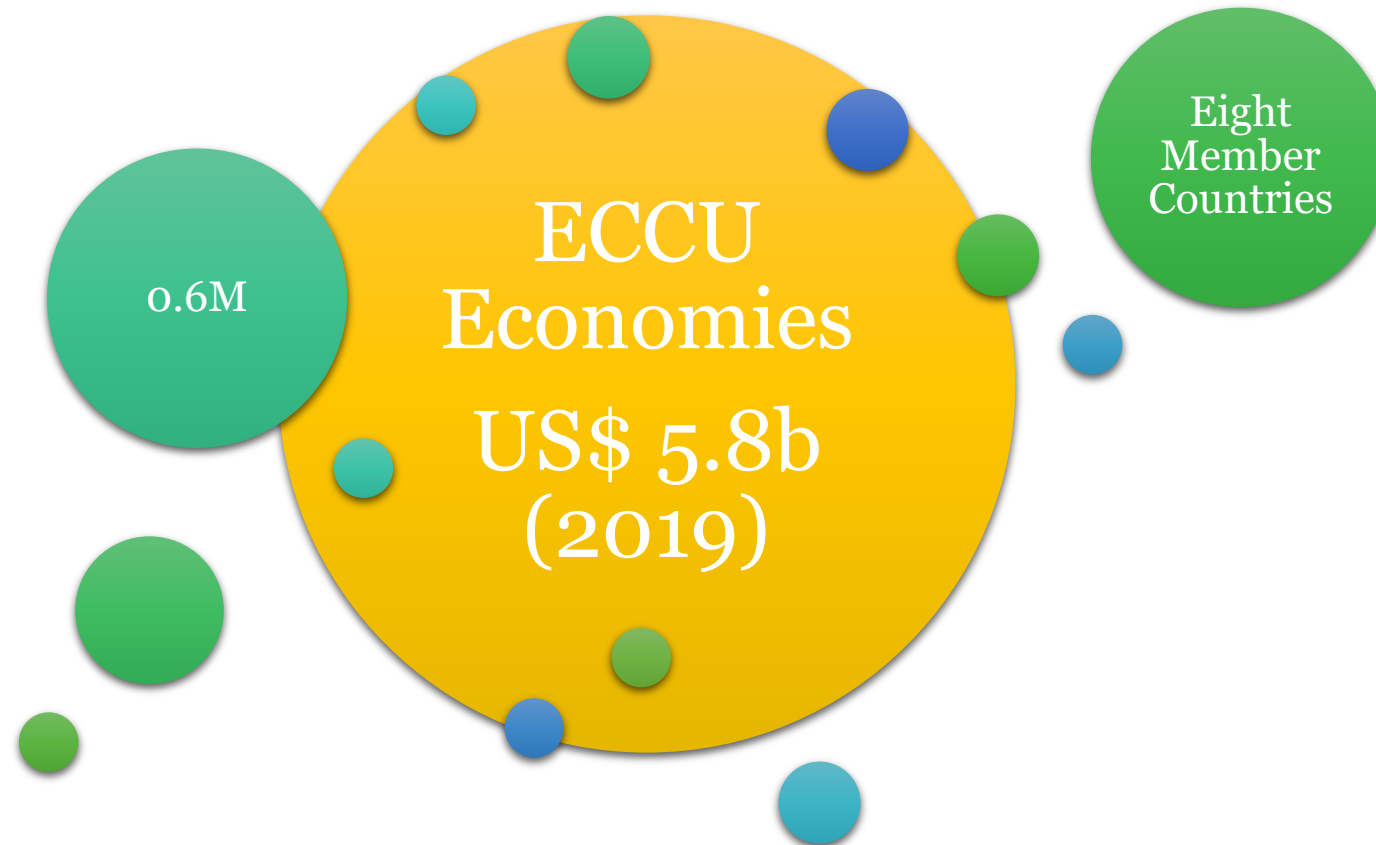


## Outline

- **The Economies of the ECCU**
- **Informal Economy**
- **Social Security Systems**
- **Challenges to Social Security**
- **Resolving Challenges**
- **Conclusion**



## The Economies of the ECCU





## The Informal Economy in the ECCU

- Definition used in the ECCU follows the ILO definition of the informal employment.
- Social Security Systems adopt this definition as well.
- Informal economy may be separated into legal and illegal activities.



## The Informal Economy in the ECCU

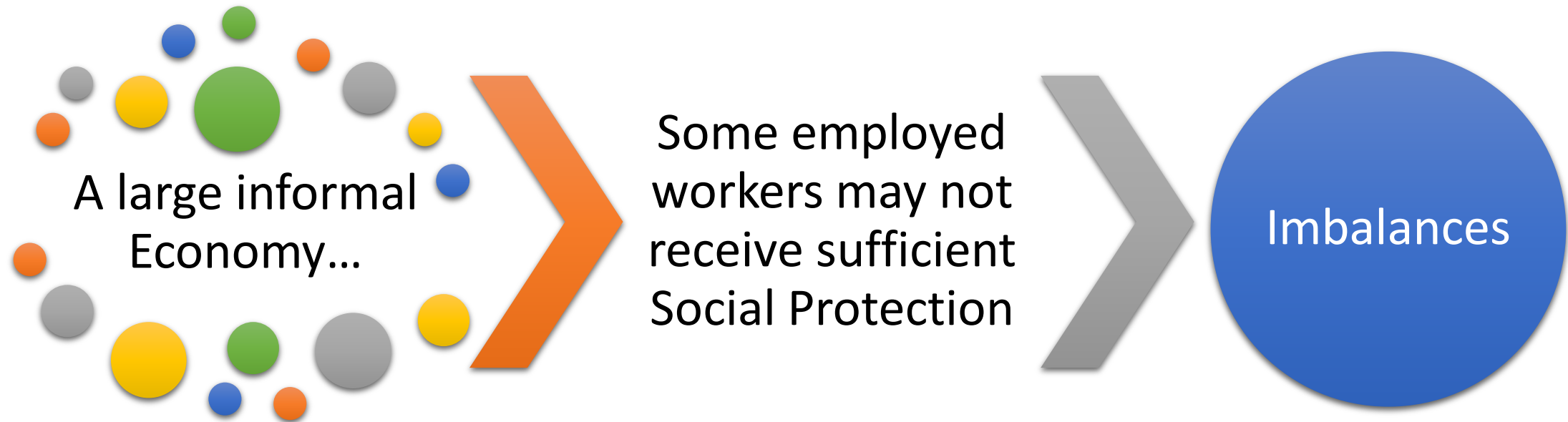
The Informal Economy

Large but stable percentage of GDP

Estimates are similar to other CARICOM Member states



## The Informal Economy in the ECCU



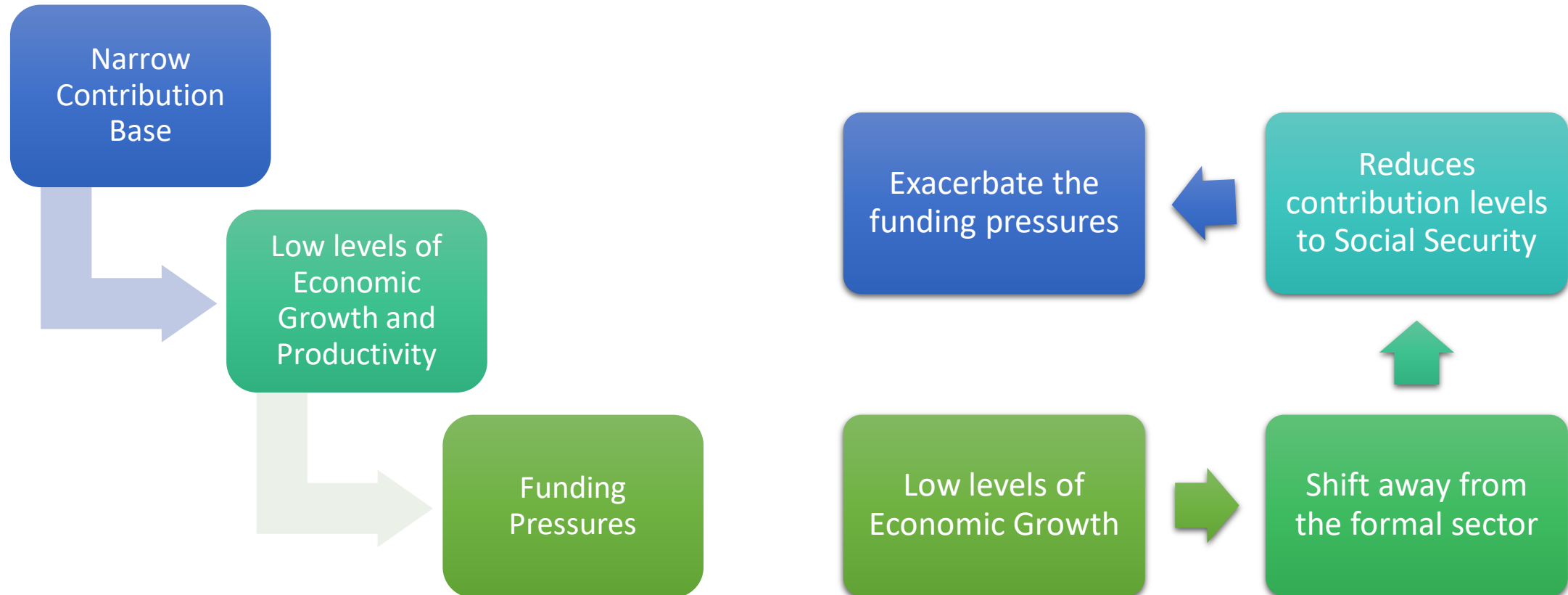


## Social Security Systems in the ECCU

- **Asset base of US\$2.5b (2019).**
- **33.0 per cent of GDP.**
- **Deposits of Social Security Systems were approximately 8.0 per cent of commercial bank deposits in 2019.**



## Social Security Systems in the ECCU







## Challenges to Social Security Systems and the Informal Economy





## Resolving challenges for Social Security Systems and the Informal Economy

Promoting gender equality and women's empowerment.

Identifying the most vulnerable segments of the informal economy.

Continued expansion of the self-employment contribution mechanism through Social Security.



## Resolving challenges for Social Security Systems and the Informal Economy

Reducing or removing the barriers to business formation.

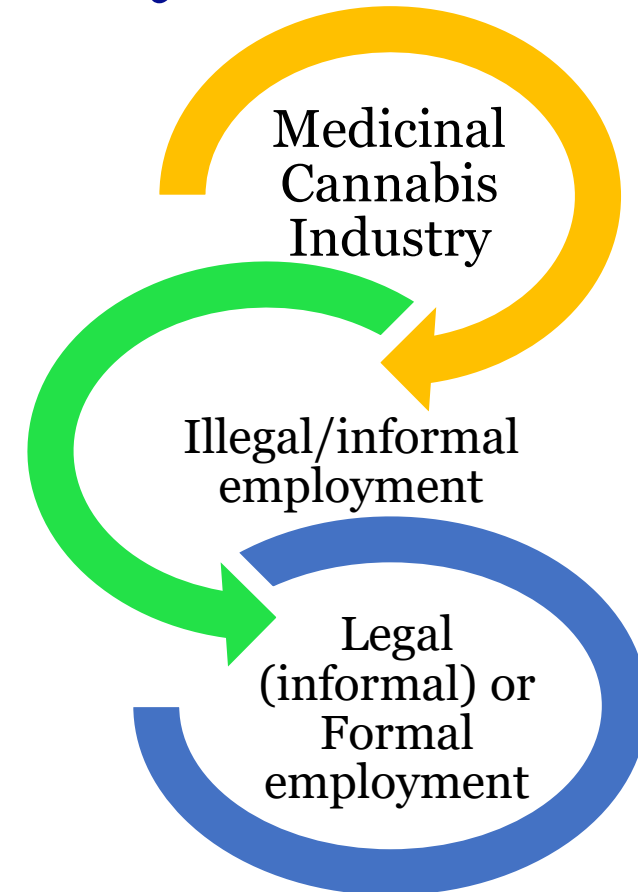
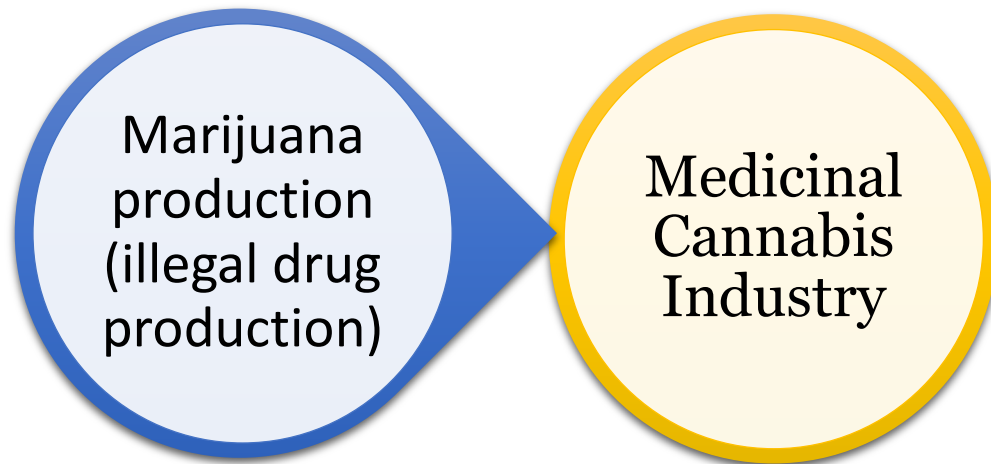
Reducing tax system complexity

Strengthening and continued enforcement of compliance laws.



## Resolving challenges for Social Security Systems and the Informal Economy

Increasing coverage especially in New Industries





**The End**